Saskatchewan Centennial 2005

100 YEARS OF HEART

2005-2006 PROVINCIAL BUDGET
PERFORMANCE PLAN

SASKATCHEWAN AGRICULTURE AND FOOD

105-05089/

Minister's Message

Agriculture is an integral component of the provincial economy and the foundation for much of the economic activity that occurs in rural Saskatchewan. The 2005-06 Performance Plan for Saskatchewan Agriculture and Food (SAF) acknowledges and builds on this essential role, and has been shaped through an ongoing dialogue with numerous stakeholders on the future of this vital industry. As Minister responsible, I am committed to completing the key actions identified in this plan and reporting on actual progress to the people of Saskatchewan through the Department's 2005-06 Annual Report, which will be available in the latter part of July 2006.

The 2005-06 plan continues the development agenda of SAF, which seeks to move the agricultural sector from one that is dominated by grain production to one that is more balanced, with significantly increased livestock production. Such an evolution is crucial for the growth of the provincial economy, as it will increase opportunities for both primary and secondary value-added processing. This direction will be pursued in a manner that is complementary to our goals related to environmental sustainability and to the provision of safe food.

This year, Saskatchewan celebrates its Centennial as a province of Canada. Participants throughout the entirety of our agricultural sector can be proud of the role their industry has played in the formation of the province and in its ongoing evolution and development. Our 100th year is an appropriate time to both look back on rural Saskatchewan's rich history and accomplishments and to focus on its future.

Current developments suggest that the agricultural sector will need to continue seeking creative solutions to deal with the extraordinary shocks of recent years. Our Department has, and will continue to work hard with stakeholders to help achieve economic recovery and to address new challenges as they occur. We will do so firm in the knowledge that the Saskatchewan agricultural and agri-food sector holds significant opportunities, opportunities which we seek to realize in the coming year and in years hence.

Mark Wartman
Minister of Agriculture and Food

Who We Are

The mandate of the Department is to foster a commercially viable, self-sufficient, and sustainable agriculture and food sector. Working with individuals, businesses, communities, and governments, SAF will assist farmers and ranchers, encourage higher value production and processing, and promote sustainable economic development in rural Saskatchewan.

To deliver on its mandate, SAF provides programs, technical support and specialist services to encourage the expansion of the livestock sector, the diversification to higher value crops and additional processing of agricultural production. The recently established Agriculture Knowledge Centre (AKC) in Moose Jaw and the nine regional Agriculture Business Centres (ABC), which are strategically located throughout the Province, are key components of the Department's restructured delivery model. The AKC has enabled the Department to be less reliant on local offices for information and technology transfer, while maintaining high quality service delivery. The ABCs engage in three interlocking functions dealing with building community capacity, supporting agri-business development and building technical capacity for competitive value chains.

The Department is responsible for the administration of eight million acres of Crown land that is leased to farmers and ranchers or operated as community pastures. SAF also has an oversight role to ensure livestock projects are developed in an environmentally sustainable manner, that disease surveillance occurs and that farm quality assurance programs are developed to ensure the production of safe food.

SAF provides significant third party funding for research and development. Much of these resources are provided to various faculties and centres of the University of Saskatchewan or to research institutions that are located near the University. These institutions play an essential role in delivering on the Department's mandate to foster a commercially viable, self-sufficient and sustainable agriculture and food sector, and in the encouragement of higher value production and processing. As a condition of the research and development contracts and agreements entered into, these institutions provide accountability to SAF for the funding received.

The Department funds ongoing risk management programs to assist producers in offsetting risks in crop production, to stabilize income and to deal with economic disasters. Production insurance on a wide range of annual crops and crop classes and on forages as well as a weather based insurance products are provided through the Saskatchewan Crop Insurance Corporation, which totals 336.5 full-time equivalents. Income stabilization and disaster assistance is provided through the Canadian Agricultural Income Stabilization (CAIS) program. This program is jointly funded by the federal and provincial governments and is delivered in Saskatchewan by the Government of Canada. Although program guidelines are subject to federal-provincial-territorial agreement, the federal administration determines specific program delivery parameters and administrative processes.

SAF also is experienced in rapidly developing and delivering short-term assistance programs to deal with extraordinary shocks to the provincial farm economy. Our work to assist the provincial livestock industry in dealing with the impact of Bovine Spongiform Encephalopathy (BSE) is a notable example.

The Department's staff complement, in terms of full-time equivalents, numbers 522.6. This is separate from the staff complement of the Saskatchewan Crop Insurance Corporation, which totals 336.5 full-time equivalents.

Saskatchewan signed the Agricultural Policy Framework (APF) Agreement with the federal government and entered into the APF Implementation Agreement during the 2003 calendar year. These agreements establish funding commitments and programming in the areas of business risk management, food safety and food quality, science and innovation, environment and renewal that the department and/or the federal government will deliver to Saskatchewan producers during the period ending March 31, 2008. The Department expects that it will invest at least $1 billion in the agriculture sector over this period to implement the APF.

In additional to activities that are led by the Department, SAF is a participant in the provincial Safe Drinking Water Strategy that is being led by the Department of Environment. Our role in water management centers on the relationship between agricultural activities and water resources. SAF protects drinking water source supplies through research and technology, regulatory and transfer programs. (More information on the strategy may be found at: http://www.se.gov.sk.ca)

Plan at a Glance

This is the fourth performance plan publicly released by the Department of Agriculture and Food. It continues the overall strategic direction of previous plans, but has been updated to reflect the Department's current priorities. Future performance plans will continue to evolve over time as the strategic planning, performance management, and public reporting processes mature, and as stakeholder feedback is incorporated.

SAF is keenly aware that provincial agricultural production and processing industries operate in a dynamic environment and experience both diverse and occasionally unique challenges and opportunities. In recognition of this, our strategic planning must be cognizant of the current state of the industry and of rural Saskatchewan, and of longer-term trends and emerging opportunities. Part of the process to attaining this understanding includes ongoing dialogue with producers and producer organizations, including:

- Farm Support Review Committee

- Minister's Advisory Committee on BSE
- Pork Industry Advisory Board
- Leaders of Provincial Farm Organizations
- Livestock Loan Guarantee Program Producer Advisory Committee
- Commodity Development Boards/Commissions
- Agriculture Development Fund Board
- Action Committee on the Rural Economy
- Commodity Specific Producer and Agri-Business Organizations

The goals and objectives identified for the Department in the following are multi-year in nature. The Department will work towards achieving its objectives, and through these will realize our broader long-term goals. For each objective a number of key actions has been developed, which apply to the 2005-06 fiscal year. A set of performance measures also has been established that will be used to gauge our progress in achieving our objectives. SAF will report on actual, compared to planned progress after year-end, in the 2005-06 Annual Report.

VISION – A thriving agricultural sector that contributes to an enhanced quality of life for all Saskatchewan residents

GOAL 1

Prosperous, sustainable, agricultural production and processing industries

OBJECTIVE 1 - *Increased livestock production and diversification to higher value crops*

Performance Measures:

- Hogs marketed
- Slaughter steers/heifers marketed
- Beef cow herd size
- Value of Saskatchewan crop output per acre

OBJECTIVE 2 - *Increased total value of goods and services produced by the agriculture and food sector*

Performance Measure:

- Primary agriculture Gross Domestic Product (GDP) plus agri-value (food, beverage, feed processing) GDP

OBJECTIVE 3 *- Enhanced environmental stewardship*

Performance Measures:

- Conservation tillage as a per cent of land prepared for seeding
- Summerfallow as a percent of total cultivated land
- Number of environmental farm planning workshops that are resourced

OBJECTIVE 4 *- Improved food safety and quality systems*

Performance Measures:

- Number of incidences where inhibitor penalties are applied to dairy producers
- Number of hogs that are inspected in federally regulated slaughter facilities in Saskatchewan
- Number of Bovine Spongiform Encephalopathy (BSE) surveillance tests

OBJECTIVE 5 *- Effective safety net and risk management tools*

Performance Measures:

- Acreage insured under crop insurance as a percentage of total acreage seeded annually to crops or devoted to perennial tame hay and native forage
- Number of Saskatchewan farm operations above $10,000 that participate in the 2005 Canadian Agricultural Income Stabilization (CAIS) program

GOAL 2

Strong, resourceful, rural people, families and communities

OBJECTIVE 1 *- Rural people and families with better tools and resources to plan for their future*

Performance Measures:

- Number of inquires to SAF's Agriculture Knowledge Centre for agronomic information

2005-06 Financial Overview

2005-06 ESTIMATES	*(in thousands of dollars)*
Central Management and Services	$ 5,796
Policy and Planning	5,833
Research and Technology	13,222
Development and Technology Transfer	13,664
Inspection and Regulatory Management	3,516
Land Management	3,488
Farm Stability and Adaptation	98,776
Industry Assistance	3,819
Financial Programs	4,124
Crop Insurance	112,090
Total Appropriation	$ 264,328
Capital Asset Acquisitions	(150)
Capital Asset Amortization	175
Total Expense	$ 264,353
Full-time Equivalent (FTE) staff complement	522.6
REVENUES	$ 48,522

A total of $192,963,000 (representing 73 per cent of the Department's appropriation) is transferred to third parties including producers, researchers, and agricultural associations. This includes the provincial government's share of the total crop insurance premium. A further $13,664,000 (accounting for five per cent of the appropriation) funds the provision of development and technology transfer services. The remaining $57,701,000 (22 per cent of the appropriation) is expended for program delivery.

Trends and Issues

Saskatchewan's agriculture industry continues to evolve. The Province's farmers and entrepreneurs are adept at capitalizing on opportunity in spite of successive challenges within the industry. The adage that change is constant holds true for the industry. Change and innovation defines Saskatchewan's agricultural sector, unlike many other agricultural jurisdictions.

The loss of the Crow Benefit, the long-term trend towards lower cereal grain prices and the economic impact of increased farm size (fewer farm families and declining rural population) have created a compelling case for development of a different agricultural sector in Saskatchewan. Greater emphasis on livestock would increase the value of total primary production and provide opportunities for more slaughter and secondary manufacturing activity, as such processing tends to locate near the primary production.

TRENDS

HOG MARKETINGS

Saskatchewan hog marketings have doubled since 1997, indicating the Province's natural advantages of space, climate, feed supply and cost are being realized. These advantages will position the sector for further growth despite the current difficulties being experienced in the global hog sector and in Canada-U.S. trade.

BEEF COW HERD GROWTH

A focused effort to grow the Provincial beef cow herd is succeeding. As with hogs, the Province's natural advantages and proximity to North American markets bodes well for continued sector growth. Saskatchewan is an economically viable place to expand beef production, and this should begin to be fully realized as the BSE induced market disruptions diminish.

MEAT PROCESSING

As both the provincial cattle herd and hog inventories grow it becomes more attractive to process meat in Saskatchewan. For many years, the province's hog inventories and cow herd size/feedlot capacity have been much smaller than that of our neighbours to the east and west, respectively. As a result, hog processing developed in Manitoba and cattle finishing and processing developed in Alberta. With the growth that is now occurring in Saskatchewan, there is opportunity to change this environment.

INCREASED IRRIGATION/WATER DEVELOPMENT

Throughout the world, irrigation is a widely used response to variable and limited precipitation. The Province's land base, clean water and semi-arid climate are ideal for further development of irrigation infrastructure. Currently, approximately 340,000 acres in Saskatchewan are under irrigated production. It is estimated that the water resources exist to expand this to over one million acres. Such an expansion would result in additional economic benefits stemming from the output of higher value crops that could be grown in conjunction with value-added processing and/or intensive livestock production.

PRODUCTION OF SPECIAL CROPS

Saskatchewan grain producers have diversified their production to include special crops, in response to depressed wheat and feed grain prices caused by international subsides. In a normal year, the Province accounts for approximately 25 per cent of world mustard production; 18 per cent of lentil production; 13 per cent of dry pea production; and 25 per cent of world flaxseed output.

EXPANSION IN ORGANIC FARMING

Organic farming is an important niche opportunity. Farmers are utilizing a climate that is conducive to organic production and are capitalizing on this market. In 2003 there were 1,049 certified organic producers in Saskatchewan compared to 626 in 1999. Almost all of the traditional grains and oilseeds, as well as herbs and spices, and fruit and vegetables produced in Saskatchewan are grown organically covering a total area of approximately 600,000 acres. In addition, organic producers are also engaged in production and marketing of ancient grains such as spelt and kamut.

THE GROWTH IN FOOD AND BEVERAGE MANUFACTURING

Additional value in agriculture is captured when raw materials are transformed into higher priced products. Value added growth has been constant as Saskatchewan has proven to be a good place to process some of our primary commodities. Food and beverage industry shipments are estimated to have reached $2.18 billion in calendar 2004, compared to $1.98 billion a year earlier.

MANUFACTURED FEED

There has been a marked growth in Saskatchewan's manufactured feed industry, both in support of the expanding provincial livestock industry and to supply national and international markets for manufactured feed. Since 1992, the value of shipments of animal feed from Saskatchewan has nearly doubled, from $92 million to $180 million.

In response to and in support of these trends, SAF has implemented a number of strategies. Potential development opportunities and infrastructure requirements are being identified and project and technical assistance is available to a range of new or expanding agricultural enterprises.

ISSUES

BOVINE SPONGIFORM ENCEPHALOPATHY (BSE)

BSE and its trade and economic impacts has been the dominant livestock issue in 2003 and 2004. Throughout this period there has been a significant and negative impact on cattle prices and receipts. Prices did improve for slaughter and feeder animals after the December, 2004 announcement that the U.S. border would open to live cattle trade on March 7, 2005. Prices have again softened since the March 2nd decision by a U.S. District Judge to grant a temporary injunction against the resumption of live cattle imports from Canada.

The recovery in cull animal prices has been more modest. Price increases have been minor, and these gains will likely be reversed if the U.S. market remains closed for exports of live cattle for an extended period. In September of 2004 the federal and provincial governments announced an industry repositioning strategy to delay cattle marketings while an increase in domestic slaughter capacity is pursued. The long-term objective of this strategy is to reduce Canada's dependence on the U.S. as a market for live cattle. This includes diversifying our domestic markets and increasing domestic beef processing. The timing of a future opening of the U.S. market may influence the degree to which the industry actually repositions.

EXCHANGE RATES

By the latter part of 2004 the value of the Canadian dollar had increased by 32 per cent compared to the beginning of 2002. Although the dollar has since given back some of these gains, the decline in the exchange adjusted prices of Canadian agricultural goods has still been significant. Although there may be some mitigating effect to the extent that inputs are priced in U.S. dollars, this kind of currency fluctuation creates an extremely difficult transition period as the industry adjusts.

FARM CASH RECEIPTS (FCR)

Over the last 20 years, Saskatchewan's FCRs have risen modestly, increasing from $4.03 billion to $5.69 billion (2003). In recent years, the share accounted for by livestock receipts has risen significantly, peaking at $1.73 billion in 2002. Program payments are up dramatically over the past three years, as programs respond to a combination of adverse circumstances and market factors. In 2003 over 28 per cent of all cash receipts or $1.6 billion stemmed from program payments. This is a reflection of a convergence of extraordinary circumstances – crop insurance payments to address crop losses, transition funding and BSE related payments.

Market shocks as a result of adverse weather, foreign competition and BSE have been substantial, and farm receipts are projected to reach modern day lows. Most farmers have been able to ride out these difficult times through a combination of measures, including drawing on their equity reserves, utilizing government risk management programs, seeking off-farm revenue, reviewing their production costs and by looking for additional markets or revenue sources.

CROP COMMODITY PRICES

Canadian prices are down from last year and are generally below prices seen in the previous five years. The decline in 2004 can be attributed to appreciation in the Canadian dollar, the above normal levels of lower quality grain and the continued effects of international agricultural policies.

U.S. PROTECTIONISM

In recent years protectionism has been growing in the U.S. Examples include the lengthy closure of the U.S. border to live cattle, the levying of anti-dumping and countervailing duties on Canadian wheat and the levying of anti-dumping duties on Canadian hogs. These experiences suggest a new North American trade remedy system is needed which better reflects the reality of our integrated markets.

RISING INPUT COSTS

Expenditures on fertilizer and fuel account for a large part of the operating expenses of most farms, and the prices of these products are directly related to the costs of natural gas and oil. The negative impact of higher energy prices on farm profitability is compounded when commodity prices are falling. Unlike the situation of many industries, agriculture is unable to pass on its increased cost of production.

ANIMAL HEALTH

This is an issue of growing global importance. The effect of animal diseases can be devastating to an industry and an economy, as indicated by recent experiences with BSE and with Chronic Wasting Disease in elk. Heightened diligence to prevent the introduction of disease into the provincial livestock population is essential as the Province encourages the development of large scale, intensive livestock operations.

RISING INTEREST RATES

Agriculture is a capital intensive industry. Despite high equity levels, Saskatchewan farmers paid an estimated $332 million in interest expenses in 2003 and are expected to have slightly lower costs in 2004. Interest rates currently are below average levels. If interest rates should rise in the medium to long-term, there will be an increase in the economic vulnerability of Saskatchewan producers who carry significant levels of debt.

The SAF plan incorporates a variety of responses to the issues identified above. This includes our funding for risk management programming and our internal capability to develop and deliver short-term assistance programs to deal with extraordinary shocks that do occur. In addition, the Department engages in discussions and negotiations with the federal government on future risk management programming, provision of ad hoc industry assistance, and on-going representations on trade issues and on the economic injury being experienced.

Changes from 2004-05 Performance Plan

The 2005-06 Strategic Plan is largely consistent with and builds on the themes contained in the 2004-05 Plan. In recognition of the creation of the Department of Rural Development, there have been slight changes to SAF's mandate and vision and the removal of one objective – Effective partnerships focused on revitalizing the rural economy.

In addition, the Department has added two performance measures:

- Number of BSE surveillance tests
- Number of inquiries to SAF's Agriculture Knowledge Centre for agronomic information (replaces a previous measure: Number of inquiries to SAF for agronomic information, to reflect the change in the Department's service delivery structure)

The Department has discontinued its efforts to develop a performance measure that would track investment in the primary agriculture and agri-value sectors, due to quality of the data available.

Goals, Objectives, Actions and Measures

This section provides the detailed 2005-06 Performance Plan for SAF, which supports advancement towards our vision of a thriving agricultural sector that contributes to an enhanced quality of life for all Saskatchewan residents. Under each goal, a number of objectives have been established to support progress towards the broader goal statement. For each objective, a set of key actions has been identified. They are the means for making progress toward the objectives and thereby the larger goal. To assess progress, a set of performance measures has been established to gauge success in meeting the targets established.

In preparation of this Performance Plan, the Department needed to consider key cost drivers and related financial assumptions. A significant component of our budget – 73 per cent – is transferred to third parties. The bulk of this ultimately goes to producers through risk management programming, but it also includes transfers to researchers and agricultural associations. Each year the Department estimates producer demand for production insurance, as well as the potential claims that will be made under the CAIS Program. Variations between actual and expected demand may lead to budgeted over or under funding of these programs. This in turn may trigger re-allocations within the Department's budget (with implications for the activities and intended outcomes to which those funds were originally allocated), requests for additional post-budget funding, or participation caps or payment pro-rating which also may affect the planned outcome of these initiatives.

GOAL 1

Prosperous, sustainable, agricultural production and processing industries

OBJECTIVE 1 *– Increased livestock production and diversification to higher value crops*

One of the best opportunities to create jobs and economic growth in Saskatchewan is through further development of the livestock industry, particularly the cattle and hog sectors. Increases in such livestock production have the potential to encourage expansion in our domestic meat processing sector. The Province continues to encourage and support the industry in the attainment of its full potential through a number of initiatives. One example of this is its 2004 commitment to provide funding for three years, to the Western Beef Development Centre.

An increase in the value of production per acre of crop land will also result in a larger rural economy and more employment in rural Saskatchewan. This may be achieved through higher yields, more intensive use of land and growing higher value crops.

Key Actions for 2005-06

- Proactively identify potential development opportunities and infrastructure requirements, and provide project support for new or expanding agricultural enterprises.
- Implement strategies to attract new people and investment to the livestock industry.
- Provide livestock and crop development information and services.
- Provide crop disease and pest surveillance.
- Develop an irrigation strategy in co-operation with federal, provincial and industry counterparts that is sustainable and is consistent with other water development concerns and corresponding strategies.
- Assist the continued growth in the organic sector through further development of certification processes, markets, and investment in production research.
- Pursue increases in Saskatchewan's production quota allocation for targeted supply management commodities.
- In co-operation with the federal government pursue improvements in the rules governing international trade and international market access, and continue our response to trade protectionist actions.
- Manage agricultural Crown land and develop options for best use of the asset.

What are we measuring?	**Where are we starting from?**
Hogs marketed	1.96 million *[2003]*

A sustained increase in hogs marketed will indicate expansion in the industry. This measurement is an appropriate (but not an exact) indicator that the public policy necessary for expansion has been adopted, supporting infrastructure has been put into place, and required investment has actually occurred.

Although the Department is able to influence several production factors, certain key factors, including changes in market access, commodity prices, feed prices and availability, and interest rates are beyond the Department's control.

What are we measuring?	**Where are we starting from?**
Slaughter steers/heifers marketed	185,320 head *[2003]*

A sustained increase in slaughter steers/heifers marketed will indicate expansion in the cattle feeding industry. The appropriateness of this measure and the Department's level of control or influence are similar to that noted above for hogs.

What are we measuring?	Where are we starting from?
Beef cow herd size	1.5 million head *[July 1, 2004]*

A sustained increase in the beef cow herd will require shifts in land use (most likely from crops) to grazing and forage production and will indicate that the cattle industry is expanding. The appropriateness of this measure and the Department's level of control or influence are similar to that noted above.

What are we measuring?	Where are we starting from?
Value of Saskatchewan crop output per acre	$58.52 per acre *[2003]*

The monitoring of changes in the dollar value generated per acre of crop produced will allow the Department to gauge the level of adoption of new production technology and higher value crops.

While SAF can influence the value generated per acre, other factors, including weather conditions, the mix of commodities produced, trade and production distorting subsidies and commodity price fluctuations also have major impact.

OBJECTIVE 2 *– Increased total value of goods and services produced by the agriculture and food sector*

Development of the primary agricultural sector and further processing of this production is necessary to expand the contribution in economic output and employment that may be made to the provincial economy. Increased processing, particularly outside urban centers, will directly enhance the rural economy and help keep smaller communities viable.

On an annual basis the Department makes a multi-million dollar commitment to fund research and technology transfer for agriculture. The purpose of this sizable, annual commitment is to maintain and enhance the competitive position of the industry. This investment is essential although the results from it are long-term in nature.

The bulk of this commitment goes to fund third party activity. The Saskatchewan Agriculture Development Fund (ADF) is the major channel for provincial research funding for agriculture and food research and development in the province. Over $7 million is provided to fund new and on-going projects in livestock, crops, environmental stewardship, value added and general research areas. An additional $3.3 million annually is provided to the University of Saskatchewan under the Strategic Research Program of the ADF. This commitment was renewed for five years in 2003.

Key Actions for 2005-06

- Implement a meat processing strategy that will address constraints in that sector (financial infrastructure, regulatory, competitiveness, value chain linkages) and lead to the expansion of industry slaughter and processing capacity.
- Implement strategies to develop value chains for the flax, pulse, organic and bio-energy industries.
- Invest in and manage research and development to support the industry priority areas (noted above) and to create opportunities for the agriculture and food sector.
- Provide an effective regulatory environment for sector development by updating regulations where appropriate.

What are we measuring?	**Where are we starting from?**
Primary agriculture GDP plus agri-value (food, beverage, feed processing) GDP	$2,842 million *[2003]*

The primary plus agri-value Gross Domestic Product measured by Statistics Canada indicates the contribution of agricultural primary and processing industries to Provincial GDP. Sustained increases in this measure will indicate the public policy necessary for GDP expansion has been adopted and the necessary supporting infrastructure is in place.

OBJECTIVE 3 *– Enhanced environmental stewardship*

The agricultural sector recognizes it has an important environmental stewardship role and that sustainability relies upon its co-existence with the natural environment. There is general agreement across the industry that progressive farming and processing practices should be utilized in an environmentally sound manner to maintain our soil and water resources, preserve the atmosphere, and ensure compatibility between agriculture and biodiversity in the environment. This focus is essential to ensuring the industry's long-term vitality and profitability.

Key Actions for 2005-06

- Implement an environmental monitoring and indicator program
- Continue to implement the environmental farm planning initiative (http://www.saskpcab.com/efp.html provides information on this initiative to enable agricultural producers to develop assessment tools on environmental risks and opportunities for their operations and identify advantageous management practices).
- Ensure that Saskatchewan farmers are treated fairly in the Climate Change Plan for Canada.
- Provide environmental assessments for intensive livestock operations.
- Regulate the application of pesticide products by the agriculture industry.

What are we measuring?	Where are we starting from?
Conservation tillage as a per cent of land prepared for seeding	67.6% *[2001; latest data available]*

Conservation till (which includes a variety of practices that reduce or minimize the disturbance of the topsoil) is the best management practice for long-term economic and environmentally sustainable crop production.

Climatic and economic factors may influence conservation till acreage in any one year. Adoption of this technology requires new capital investment so that progress toward the objective should be measured over a multi-year period. An update on the adoption of such tillage practices will be available with the release of the 2006 agriculture census.

What are we measuring?	Where are we starting from?
Summerfallow as a per cent of total cultivated land	14.7% *[2004]*

Summerfallowing for weed control and increased moisture reserves may subject land to wind and water erosion and affect the organic content of the soil. These concerns plus advances in production technology are reducing this practice.

Moisture levels, weather conditions and economic factors may influence summerfallow acreage in any one year.

What are we measuring?	Where are we starting from?
Number of environmental farm planning workshops that are resourced	83 *[For the three month period of December 2004 to February 2005]*

The adoption of environmental farm planning by producers in Saskatchewan is being supported by the Department. Locally based workshops are available to producers and are resourced by trained agrologists.

Department resources for third party delivery and producer interest will influence the number of workshops that may be offered and demanded.

OBJECTIVE 4 *– Improved food safety and quality systems*

Consumers throughout the world increasingly demand that high safety standards be observed in the production of food they consume. Saskatchewan producers and processors must respond to that demand to compete in the global marketplace. In recognition of this, food safety and quality programming is one of the five elements of the APF. Measures are being developed and will be implemented to enhance the sector's ability to identify and respond to food safety issues and concerns, while improving market access and opportunities for the sector.

Key Actions for 2005-06

- Continue to implement a food safety strategy for Saskatchewan's food processing sector. (This includes the provision of voluntary inspection of abattoirs and meat processing plants to help ensure food safety, and industry adaptation to new regulations which requires the removal of specified risk materials from all cattle slaughtered. Further information is available at: http://www.agr.gov.sk.ca/docs/about_us/programs_services/meatinspect.asp)
- Ensure the provincial component of Canada's expanded BSE surveillance program targets are met.
- Assist industry in implementing on-farm food safety programs. (Initial efforts are targeted at raising sector awareness of the increasing public interest in safe and humanely raised food)

What are we measuring?	**Where are we starting from?**
Number of incidences where inhibitor penalties are applied to dairy producers	11 *[2004]*

Consumers view milk as an essential foodstuff and place high importance on the safety and quality on milk produced and supplied to them. One concern is the presence of antibiotic residue that may be present in raw milk shipments from dairy farms. Penalties are applied in cases were such residue is detected.

SAF expects to have significant influence over the future number of penalties through education programs it is providing to producers and through revisions to the penalty regulations which took effect in November 2004.

What are we measuring?	**Where are we starting from?**
Number of hogs that are inspected in federally regulated slaughter facilities in Saskatchewan	1,133,882 *[2002; latest data available]*

There is greater market access for products of animals that are federally inspected, as these products may be marketed and shipped beyond provincial boundaries and exported.

SAF anticipates it will have significant influence over the expansion in hogs that are federally inspected through an anticipated meat processor upgrading program and changes in meat regulations.

What are we measuring?	Where are we starting from?
Number of BSE surveillance tests	1,834 *[2004 preliminary]*

Surveillance is a key part of Canada's ability to confirm its very low prevalence of BSE within the domestic herd, and to provide reassurance to foreign governments and markets Canadian beef is safe. National surveillance goals have been set in co-operation with the federal government and have been broken down further by province.

What are we measuring?	Where are we starting from?
Number of farmers that have trained in On-Farm Food Safety (OFFS) Programs	Under development - data availability is being pursued with producer organizations.

Ensuring a safety and high quality food supply requires the adoption of effective systems throughout the food chain, starting with the producer of the primary product.

SAF will have some influence over the number of farmers that take OFFS training through its efforts with provincial commodity groups to develop and implement appropriate programming. Producer participation will be dependent on their perception of the need, benefit and costs of such on-farm systems.

OBJECTIVE 5 *– Effective safety net programs and risk management tools*

Income from agricultural production is subject to both price and production risk and may be quite variable from year to year. Effective safety net programs and risk management tools are essential if producers are to deal with these risks and achieve the full economic potential of the sector. The development of new business risk management programming, including the CAIS program, which replaces previous programming and provides producers with disaster assistance and income stabilization, has been an essential component of the APF.

Key Actions for 2005-06

- Continue to implement the new federal-provincial business risk management programming (CAIS program).
- Enhance crop insurance programs which grains and livestock producers may use to offset production failures and other natural hazards.
- Continue monitoring and delivery of programming to address unique risk situations (e.g. BSE).

What are we measuring?	Where are we starting from?
Acreage insured under crop insurance as a percentage of total acreage seeded annually to crops or devoted to perennial tame hay and native forage	71% of area seeded to annual crops *[2004]* 11% of area in perennial tame hay and native forage *[2004]*

One measure of the effectiveness of crop insurance programming that is used is producer participation. This is calculated in terms of the actual acreage that is insured compared to the total possible acreage that could be insured. It is inferred that a high or increasing level of participation indicates effective programming, while a low or declining participation rate indicates the program is less effective or trending in that direction. However, producers have raised concern about the adequacy of the coverage of the crop insurance program. They may choose to participate because there are no other production insurance options. In this respect, participation levels may be an incomplete measure for gauging program effectiveness.

What are we measuring?	Where are we starting from?
Number of Saskatchewan farm operations above $10,000 that participate in the 2005 CAIS Program	41,827 option notices returned to the CAIS administration from Saskatchewan farm operators *[2003 claim year]*

One measure of the effectiveness of risk management is producer participation. The data on farm operations above $10,000 are estimates produced through the annual Farm Financial Survey conducted by Statistics Canada.

SAF has some influence over producer participation through provision of information, promotion and communications on the program. As noted above for crop insurance, participation may be an incomplete measure of program effectiveness, for the same reasons.

GOAL 2

Strong, resourceful rural people, families and communities

OBJECTIVE 1 *– Rural people and families with better tools and resources to plan for their future*

Saskatchewan's people are our most important resource in the development of the agriculture and food industry. Tools they need to make decisions regarding their individual operations to achieve that development need to be available – whether they are considering diversification and/or expansion of their operations, or exploring off-farm opportunities.

Key Actions for 2005-06

- In co-operation with the federal government deliver renewal programming services to farm families (to respond to financial stress, to capture new opportunities, and to effectively change current operations).
- Provide enhanced specialist, technical and business development services.
- Provide information and counselling services to help farm families' deal with the stresses in their industry.

What are we measuring?	**Where are we starting from?**
Number of inquiries to SAF's Agricultural Knowledge Centre for agronomic information	Under development – full year data not available (10,060 inquires from April 1 to September 30, 2004)

Changes in the number of inquiries will enable the Department to gauge the popularity and usefulness of the technical and support services made available. The number of inquiries tends to rise if the sector is stressed by unusual weather, agronomic or economic factors.

The number of inquiries to SAF's Agricultural Knowledge Centre is a proxy on the provision by the Department of better farm management tools to Saskatchewan's agricultural producers. At best, it is an approximate measure, as inquires may vary from year to year in response to environmental or market factors and stresses.

In respect to the objective, an ideal measure or measures to monitor progress towards achievement would assess and track overall client satisfaction and their assessment of the effectiveness of the information and services provided by the Department.

For More Information

Readers seeking additional information may consult the SAF website, located at http://www.agr.gov.sk.ca/. This site includes detailed program information, agronomic information, reports, statistics and several interactive features. Additional information may also be obtained by writing:

The Communications Branch
Room B5
3085 Albert Street,
Regina, Saskatchewan
S4S 0B1

Readers may also provide feedback on SAF's plan via the above site, at http://www.agr.gov.sk.ca/apps/contact/ask_saf.asp, or by writing to:

The Deputy Minister
Saskatchewan Agriculture and Food
Room 101, 3085 Albert Street
Regina, Saskatchewan
S4S 0B1